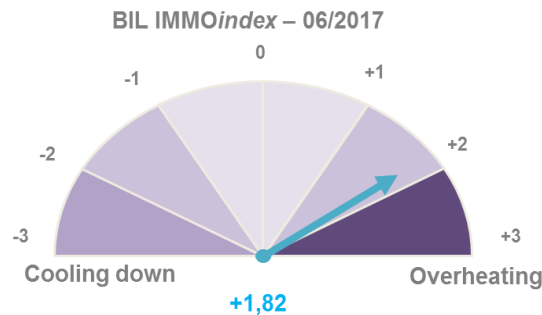
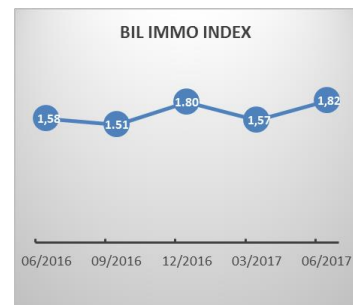


BIL IMMOindex: real-estate market still buoyant

Luxembourg, 20 November 2017: Still driven by increased lending and construction, the [BIL IMMOindex](#) remained persistently high during the second quarter of 2017. Published in partnership with PwC Luxembourg and the Banque Internationale à Luxembourg, the BIL IMMOindex feels the pulse of the Grand Duchy's residential property market.



In the second quarter of 2017, the BIL IMMOindex stood at +1.82, up from +1.80 in the fourth quarter of 2016 and from +1.58 year-on-year. Despite a slight decline in the first quarter of 2017, the index returned to the high levels of late 2016.



The movements on the BIL IMMOindex show that the domestic residential property market remains particularly dynamic. The factors behind this strong performance are essentially the same as those identified at the end of 2016: a sharp increase in the number of mortgages (+13.8%) and construction activity (+11.3%), as well as a more pronounced discrepancy between the price increases of old (+7.5%) and new real estate (+3.8%).

"The BIL IMMOindex remains at the high level observed in late 2016, making it necessary to remain vigilant of a slight overheating of the market. Luxembourg's robust economic health is a reassuring factor, with a GDP growth forecast of 3% for 2017. The ECB is cautious about a possible rate hike, so a rebalancing of the market could come from an increase to the housing supply rather than a drop in demand," explains BIL Chief of Corporate and Institutional Banking, Marcel Leyers.

Launched in October 2015 and developed by BIL in partnership with PwC Luxembourg, the BIL IMMOindex keeps professional, institutional and private investors abreast of residential property market trends in Luxembourg.

Updated regularly and published every six months, the index is based on property price trends on the sales market and the rental market, as well as on the underlying factors of supply and demand, like shifting demographics or construction activity in the economy of the

country. In total, seven ratios are summarised to produce the BIL IMMO*index*, an easily readable indicator giving a concise overview of Luxembourg's residential property market over the last 35 years.

The complete analysis, region by region, is available on www.bil.com/immoindex.

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About Banque Internationale à Luxembourg (BIL):

Founded in 1856, the Banque Internationale à Luxembourg (BIL) is the Grand Duchy's oldest universal bank. Since its creation, it has played an active role in the main development phases of the Luxembourg economy. The BIL currently offers retail banking, private banking and corporate banking services, and participates in capital markets. With more than 2,000 employees, the Bank is present in financial centres in Luxembourg, Switzerland (since 1984), Denmark (since 2000) and the Middle East (since 2005).

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